



THE STRENGTHENING CAREER AND TECHNICAL EDUCATION  
FOR THE 21<sup>ST</sup> CENTURY ACT

# WHAT IT MEANS FOR EMPLOYERS

On July 31, 2018, President Trump signed *The Strengthening Career and Technical Education for the 21<sup>st</sup> Century Act*, legislation reforming and reauthorizing the Carl D. Perkins Career and Technical Education Act. The House and Senate education committees had been working on the bill for more than two years, and by the time it came up for a final vote, it garnered overwhelming bipartisan support in both chambers.

The act authorizes \$1.2 billion for career and technical education in FY 2019, up from \$1.1 billion in 2017. Funding for the next five years is authorized to rise modestly, reaching \$1.3 billion in FY 2024.

The law will take effect on July 1, 2019.

**BACKGROUND**

The new measure maintains the basic structure of the underlying Perkins Act, first passed in 1984. Most of the funding flows from Washington to the states. A complex formula based on population and poverty levels determines the size of each state's grant. California receives the largest grant, \$114 million in 2017; a handful of sparsely populated states, including Vermont and Alaska, receive the smallest, just over \$4 million each in 2017. Most states supplement these federal funds with state spending. How the money is distributed within each state is also determined by formula, but state education agencies have some discretion. Additional spending is appropriated for "national activities" overseen by the U.S. Department of Education.

The biggest change in the new law: it restructures the relationship between the states and the U.S. Department of Education. As under current law, states will be required to make progress from year to year on "core indicators" outlined in the act – performance benchmarks like graduation rates, credential attainment, the share of students who go on to further education or get jobs, and the like. But unlike in the past, when states negotiated their performance goals with the department, in the future, they will set their own targets after consultation with stakeholders in the state – employers and others.

Plans will still need to be approved by the department, and states will be required to make "meaningful progress" over time, moving toward the targets they have set for themselves. But the intent of the new law is to focus state decision-makers more on state and local needs rather than federal mandates. As Senate Health, Education, Labor and Pensions Committee chair Lamar Alexander explained after the bill passed the Senate, state officials should no longer "have to ask 'Mother, may I?' when they want to make changes to do what is best for their students."

## **FROM THE EMPLOYER PERSPECTIVE**

What this means for employers: state decision-makers will be seeking input on skills mismatches and labor shortages, and if business and industry make their labor needs known, they can expect CTE programs at local high schools and community colleges to align more closely with state and local labor markets.

The legislation is intended to promote more effective collaboration between employers and educational institutions. It encourages high school and college programs to offer opportunities for work-based learning. It should drive more programs to prepare students to earn industry-recognized credentials. And it emphasizes accountability at the state and federal levels: employers and others will see data on student outcomes and will be in a position to demand change if they don't like reported results.

Among provisions of particular interest to employers, the legislation:

- Gives states more flexibility to use federal funding to meet state and local education needs, and the new accountability structure should limit federal intervention.
- Improves the alignment of career education with in-demand jobs by requiring more robust consultation with business and industry, including industry and sector partnerships.
- Encourages stronger engagement with employers in setting state and local performance goals.
- Requires local educational agencies to conduct ongoing "need assessments," consulting with employers and others on how to ensure that CTE programs are meeting local labor market needs.
- Requires use of labor market information in planning educational offerings.
- Fosters attainment of "recognized postsecondary credentials," including industry-recognized certifications.
- Rewards programs that incorporate work-based learning and dual enrollment in postsecondary education and training.
- Expands state reserve funds from 10 percent of the total allocated to each state to 15 percent, giving states more freedom to promote innovation and support programs that prepare students for in-demand occupations.
- Creates a small federal competitive grants program to foster innovation. Among the areas in which the law seeks to encourage experimentation: work-based learning, including school-based simulated work sites, mentoring, worksite visits, job shadowing, project-based learning and internships.
- Requires greater alignment between each state's CTE strategy and its strategy for implementing the Workforce Innovation and Opportunity Act.
- Allows states to submit a "combined plan" for using Perkins funding and WIOA funding, a strategy that can help states stretch federal dollars.

- Strengthens alignment between Perkins postsecondary performance measures and WIOA performance measures, including job placements and attainment of recognized postsecondary credentials.

## **OPPORTUNITIES FOR EMPLOYERS**

Unlike WIOA, which makes some funds available to employers, Perkins spending flows exclusively to educators – ultimately, local school districts and community colleges. But the new legislation gives employers a say in determining how that money is spent – on what kinds of programs, teaching which skills, preparing students for what occupations, and more.

What this means for employers: we need to step up and make our voices heard, reaching out to state education agencies, explaining our workforce challenges, partnering with high schools and colleges, creating opportunities for work-based learning, informing ourselves about the industry-recognized credentials in our sectors and making sure policymakers know which credentials reflect emerging workforce needs.

Opportunities will vary state by state and region by region – there’s no single address, no single recommended approach.

Employers and employer associations can start by determining which agency in their state is designated to receive and administer the state’s Perkins grant. Approach that agency. Find out if other employers in your area or industry have come together in a sector partnership that advises local educators and workforce agencies on skills in demand in the state and local labor market. Offer information about industry credentials.

Still other options, closer to the learning process: find out more about which local entities – it might be an local school district, a CTE school or a community college – will be conducting the local needs assessment in your region. Make sure they know that you or your trade association are eager to be involved. Connect with a high school or college in your area and ask about opportunities for collaboration. Partner with a school to design and implement career education programs. Perhaps most useful, create opportunities for internships or co-op jobs.

Bottom line: help a local educator or education agency help you – the new law creates an array of incentives for educators to want to work with you.

Over the next six to nine months, states will be drafting transition plans to submit to the U.S. Department of Education in spring 2019. Four-year plans setting the state’s performance goals are due a year after that, in spring 2020. During this process, states are required by law to hold hearings, offer opportunities for public comment and consult with business and industry, among others. Make sure they know what your industry needs.

*The Strengthening Career and Technical Education for the 21st Century Act* is designed to support employer engagement in career education and reward collaboration between employers and educators. But it will not succeed unless employers step up and partner with educators to plan and provide CTE programs that teach students the skills they need in today’s labor market. Encourage your members to reach out today.

*The Opportunity America Jobs and Careers Coalition is a Washington-based business coalition focused on job training and workforce development. Members include employers and employer associations from a broad range of industries experiencing skills mismatches and worker shortages – IT, manufacturing, construction and hospitality, among others.*